

EXTENSIONS OF REMARKS

THE DYNAMIC WAY TO SCORE TAX POLICY

HON. TOM CAMPBELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1996

Mr. CAMPBELL. Mr. Speaker, I rise today in support of reforming the Federal budget process, to make the Federal budget process more manageable and responsive to the American people. Today, I am introducing, along with my colleagues, the Honorable Majority Leader DICK ARMEY, Joint Economic Committee Vice Chairman JIM SEXTON, Congressmen SHAYS, SANFORD, HORN, THORBERRY, EWING, CUNNINGHAM, and MANZULLO, a sense-of-Congress resolution that would promote the concept of dynamic economic modeling.

Congress can gain valuable insight from the States in many key policy areas, and one important area is in the accurate estimation of the revenues available to provide Government services in the first place. Through the sound application of an accounting device known as dynamic economic modeling, several State governments are providing clearer and more accurate insight into revenue patterns for future years. The sense-of-Congress resolution I am introducing today is in support of the premise that dynamic economic modeling is a valuable means of estimating the effect Federal tax policy. In addition, this is a concept that Congress and the Federal Government should explore further.

The formulas now used to predict the economic impact of changes in the Tax Code don't fully reflect the fact that tax changes spur behavior and macroeconomic changes. If you don't factor in these behavior changes you get phony revenue numbers and, consequently, inaccurate budget numbers. My resolution is designed to encourage the consideration of real life and real dollars back into Government projections.

At the heart of this discussion is whether we should encourage growth and opportunity in our tax policy. By implementing dynamic economic modeling, one can get a better idea of the revenue effects that changes in sensitive tax policy cause. The Commonwealth of Massachusetts, for example, has been using dynamic economic methods for several years. My home State of California, it should be noted, has completed initial design and testing of a computable general equilibrium model [CGE]. As a State senator in California, I took part in this process by authoring Senate bill 1837, a bill authorizing the implementation of dynamic economic modeling techniques. This bill was passed by the California legislature and signed by Governor Wilson in 1994.

The California Department of Finance, I am pleased to say, has sent a copy of the model paper to members of Governor Wilson's coun-

cil of economic advisers, specifically John Cogan, John Taylor, and Michael Boskin of Stanford University. I expect this model will be circulated to other academics in California and elsewhere, and am confident that these models will be excellent tools to help policymakers at the State and Federal levels understand the full economic consequences of tax legislation.

Dr. Boskin, also a former Bush administration economic adviser, argued last year before Congress that dynamic economic modeling is not an attempt to cook the books as defenders of conventional models might suggest. As Dr. Boskin added, those who claim that this is an attempt to cook the books are starting with the erroneous proposition that the books are now in good shape. What he acknowledged is that there are serious problems in conventional accounting and in the current presentation of information.

Let me illustrate how dynamic modeling may work. The House of Representatives Joint Economic Committee [JEC] cites a 1990 projection of Congressional Budget Office [CBO] realizations after capital gains tax rates were increased. Initial estimates of capital gains realizations showed significant gains even after a large increase in the capital gains tax rate after 1987. According to recent Internal Revenue Service data, however, actual realizations were less than half of what was projected by CBO for 1993. Instead of projected realizations of \$295 billion in 1993, capital gains realizations remained stagnant at \$141 billion—an error of over 100 percent. In the words of the Joint Economic Committee, the higher capital gains tax rate has produced less annual real revenue in the 1990-93 time period under the lower rate of 1985, despite a larger economy.

These problems are serious enough to justify exploration of policy changes in how we project revenue. At the very least, the idea of dynamic economic modeling could provide a range of revenue estimates around the number produced by the static model.

It is time for Congress to take notice of dynamic economic modeling's implementation by States, and with the help of leading accounting firms and academics, adopt it. Ignoring the debate on alternative revenue estimating will create a bias against tax policies to create growth which are now under consideration. Good ideas which could enrich our future standard of living are a risk of outmoded economic calculations if we do not begin this dialog.

CENTENNIAL OF MILLTOWN BOROUGHS, NJ

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1996

Mr. PALLONE. Mr. Speaker, on May 7, 1996, the Borough of Milltown, NJ, will com-

memorate its 100th anniversary under its present form of government and incorporation. This occasion will be marked by the borough council at its public meeting on that date. It is a great honor and pleasure to pay tribute to this beautiful, historic community, located in the heart of Middlesex County in the Sixth Congressional District.

Mr. Speaker, the community of Milltown essentially started in 1816 with Jacob Beyer, who had a local grist mill. The industrial era came to the community 27 years later. On October 9, 1888, residents met to discuss secession from the larger area of North Brunswick, and 2 weeks later a special election was held to form a borough commission and establish boundaries. On March 1889, the board of commissioners was chosen and they were sworn in on March 16 of that year. In 1896, the State legislature repealed the act relating to the commission form of government. On May 7, 1896, the new borough council was formed.

Mr. Speaker, as the Congressional Representative of Milltown, I salute the mayor and governing body, all of today's residents, and all of the men and women over the past century who have helped to build this lovely, tight-knit community into a great place to live, work, and raise a family.

INTRODUCTION OF THE CONGRESSIONAL TRAVEL ACCOUNTABILITY RESOLUTION

HON. GREG GANSKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1996

Mr. GANSKE. Mr. Speaker, I rise today to introduce the congressional travel accountability resolution. This resolution will increase the accountability of House Members for domestic and foreign trips made at taxpayers' expense.

Currently, travel taken by Members of Congress is only partially reported and not all in one place. It is nearly impossible for someone to sift through the current travel reporting maze and determine who has been where and at what expense to taxpayers.

Current reporting and disclosure requirements are inadequate. The public has a right to know how its money is spent. And most importantly, Members of Congress should be held personally accountable for their travel on the taxpayers' dime.

This resolution provides accountability, responsibility, simplicity, and common sense. These are four things the American people are demanding of the Federal Government.

This proposal has already received bipartisan support. I urge my colleagues to join me and support this long overdue reform.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

CONGRATULATING THE SPRING
SENIOR HIGH SCHOOL CONCERT
BAND

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1996

Mr. FIELDS of Texas. Mr. Speaker, I appreciate this opportunity to congratulate the Spring Senior High School concert band in Spring, TX, on recently winning the Sudler Flag of Honor, which is presented to the most outstanding high school concert bands in the United States and Canada.

Under the direction of Mr. Bill Watson, Jr., the Spring Senior High School concert band is just the 34th band to have earned the Sudler Flag of Honor in the 14 years that it has been awarded. And it was one of just two high school bands nationwide to have been selected for this honor this year. The award is presented by the John Philip Sousa Foundation and is intended to recognize and salute high school concert band programs of international-level excellence.

Winning the Sudler Flag of Honor proves what many of us have known for a long time: that the Spring Senior High School concert band is among the very best concert bands in North America.

The Sudler flag is designed in red, white and blue and feature the logo of the John Philip Sousa Foundation. The flag becomes the property of the band. Each member of the band receives a personalized certificate and the band director receives a personalized plaque.

To be eligible for the Sudler flag, a high school must have maintained a fine concert band for at least 7 years. Although the band's concert activities receive the most attention in the selection process, the high school's band program must be a complete one and must include a marching band, small ensembles, and solo participation by its members in contests and festivals. Also, the band conductor must have been at the same high school for at least 7 consecutive years and is expected to be involved in professional band and music education organizations and activities on the local, state and national level.

Clearly, the Sudler Flag of Honor is one of the most significant awards that a high school band can earn. It requires that band members and their director work together to achieve not just musical competence, but musical excellence.

Mr. Speaker, I know that you join with me in congratulating the young men and women of the Spring Senior High School concert band—as well as conductor Bill Watson, Jr.—on this significant achievement, and I know you join with me in wishing everyone associated with the band continued success in the years ahead.

EXTENSIONS OF REMARKS

TEMPLE EMANU-EL'S 135TH
ANNIVERSARY

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1996

Ms. LOFGREN. Mr. Speaker, this weekend, San Jose will commemorate the 135th anniversary of Temple Emanu-El, the city's oldest synagogue, and I know that all the Members of this House will want to join me in marking this historic event.

A few dedicated families founded the Temple in 1861, originally named Bickur Cholim, to care for the sick and needy, to ensure proper burial for the dead, and, as their original articles read, to "[further] their Holy religion and language." The Temple has continued to serve this mission through this day.

Temple Emanu-El has a long history of service to both the Jewish community and the San Jose community at large. Through Interfaith Sabbaths, the congregation's work with the homeless through the Coalition of Churches and Synagogues, and their community outreach through concerts and pulpit exchanges, the Temple Emanu-El community is active in San Jose cultural and civic life. As current Rabbi Mark Schifman remarks, the Temple provides a beacon for Jewish values and ethical imperatives for the entire community.

The history of Temple Emanu-El truly mirrors the development of San Jose. In 1861, the fledgling Temple relied on the strong support of the community's churches and civic organizations to construct its synagogue and build its congregation. Over the next 80 years, it grew with the city until a fire in 1940 destroyed the sanctuary. I am proud to tell you that, once again, the community responded enthusiastically, helping the Temple continue its services and programs. The new sanctuary was completed in 1948.

Temple Emanu-El's last 50 years have been a whirlwind of rapid growth and community development. I believe that, like San Jose, this synagogue will remain an active center of our vibrant Silicon Valley community. One of the Temple's former Rabbis, Joseph Gitin, reminds us that although the Temple has grown, its fundamental role is unchanged. "Here," he says, "we learn that our faith and discipline of Jewish ethical values prepare and equip us to live meaningful lives."

Mr. Speaker, I believe that no matter what our particular religion may be, we all strive for a similar goal. I would invite my colleagues in the U.S. House of Representatives to join me in recognizing Temple Emanu-El's 135th anniversary.

TRIBUTE TO CLARA MACNAMEE

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1996

Ms. WOOLSEY. Mr. Speaker, I rise today to honor one of my district's more dedicated and caring individuals, Clara MacNamee. Clara is being honored as Marin County Teacher of

May 2, 1996

the Year for 1996. I wish that I could be with her colleagues, friends and family to celebrate her remarkable accomplishments.

Clara began working with the Marin Office of Education in 1976. There, she helped develop a classroom whose sole purpose was to serve students involved with drugs and alcohol. The success of this classroom, which focused on a variety of activities, such as peer coaching, and family involvement, expanded into a charter school called Sobriety High School. Student throughout the county are now attending this school and are being touched by Clara's enthusiasm and love of teaching. Marin County and our Nation, owe a great deal to Clara for her tireless efforts in providing exceptional education to students with special needs.

I was not surprised to learn that Clara has been the recipient of many education awards. In 1992, she received the Marin County Golden Bell Award for Academic Excellence, and, in 1993, she was awarded the California State Golden Bell Award for Academic Excellence. I continue to be impressed by Clara's dedication to the students in our community and her vision for their success.

In addition to her work in education, Clara has been a committed member of the community. She served as a CPR instructor for the American Heart Association and the Red Cross for over 10 years and was a Braille transcriber for 5 years. Clara also served as a community representative to her local Community Service District for 17 years.

Mr. Speaker, it is my great pleasure to pay tribute to Clara MacNamee during this special evening at the Marin Art and Garden Center. I extend my thanks and appreciation and my hearty congratulations and best wishes to Clara for continued success in the years to come.

HONORING ROGER TILLES

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1996

Mr. ACKERMAN. Mr. Speaker, I rise today to join with my colleagues and the members of Temple Beth-El of Great Neck, as they gather on the weekend of May 10 and 11, 1996, to pay tribute to their president, Roger Tilles.

The son of former Temple President Gilbert Tilles, Roger's devotion to Temple Beth-El stems from his childhood. In fact, his good work began early on when, as a teenager, he was president of the Junior Temple Club.

However, Mr. Speaker, it is his charitable contributions that have been most noteworthy. Roger has been chair of the Temple's social action, building, and grounds and development committees. In 1985, he was elected a Temple trustee, eventually going on to become vice president and president of Temple Beth-El. Roger has long been a champion of family values, and he has utilized his tradition of leadership in this regard. To name but a few of these beneficial organizations, he was instrumental in launching the Beth-El Connection, a program dedicated to welcoming new families into the congregation, as well as the

Family Life Program, a group devoted to strengthening the Jewish family.

In fact, Roger's philanthropic activities extend far beyond the scope of the Jewish community to encompass the many faces of Long Island. He has been an active member of the Association for a Better Long Island. Furthermore, Roger has consistently been a strong supporter of the arts. It is his love of education and culture that led to the construction of the Tilles Center at Long Island University's C.W. Post campus.

Mr. Speaker, Roger Tilles has come to symbolize the American spirit of voluntarism and generosity. I ask all my colleagues to rise with the grateful people of the Fifth Congressional District in extending to Roger Tilles the highest accolades of appreciation and admiration.

INTRODUCTION OF H.R. 3379

HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1996

Mr. CONDIT. Mr. Speaker, along with our colleagues, LAMAR SMITH, JIMMY HAYES, SCOTT KLUG, WILLIAM LIPINSKI, and RALPH HALL, I am today introducing legislation to require the President of the United States to submit a balanced budget plan to the Congress and to forbid the consideration in the House of Representatives of any budget resolution that does not provide for a balanced budget. These changes would take effect at the beginning of the 105th Congress.

Under the terms of the bill, the President must submit to Congress a detailed plan to balance the Federal budget in 6 years or less. In the event the President's budget plan is not in balance, as determined by the Congressional Budget Office [CBO] after review, it would be returned to the White House. In addition, the legislation provides that the only concurrent budget resolution in order in the House is one that provides for a balanced budget and this provision is enforced by a nonwaivable point of order. During a declared war or national emergency, these requirements could be suspended.

This measure does not interfere with the ability of the President or the Congress to set spending priorities. Under current law, title 31, Presidents are required to meet several requirements in their budget submission, and this bill only adds to these requirements. And the Budget Committee would remain free to determine spending priorities and to instruct the authorizing committees to reduce spending.

The last budget surplus occurred in fiscal year 1969, and you have to go back to fiscal years 1956 and 1957 to find 2 consecutive years of budget surplus. According to the Office of Management and Budget [OMB], President Clinton's fiscal 1997 produces balance in the year 2002. The CBO, however, found that the President's claim of budget balance is based on contingent proposals, including sunset tax relief, triggering new taxes and Medicare cuts, and unspecified reductions in discretionary spending of 15 percent in 2002. Absent these contingencies, the fiscal 1997 budget results in a \$80 billion deficit.

In the last few years, Presidents have submitted budget plans to the Congress that rested on rosy economic assumptions and restrained spending through the generous use of budget gimmickry, and successive Congresses were all too willing to go along with these practices. The President's fiscal 1997 budget is proof that the use of blue smoke and mirrors continues unabated. President Clinton does deserve credit for agreeing to balance the budget and to work with the leadership of Congress to achieve that goal.

The American people in every opinion poll strongly support a balanced budget, and most of our colleagues now support balancing the budget. If we cannot balance the budget this year, it must be done next year.

The legislation that I am introducing today will facilitate the work of the Congress and the President. This legislation has been endorsed by the National Taxpayers Union, Citizens Against Government Waste, Americans for Tax Reform, the U.S. Chamber of Commerce, and the National Federation of Independent Business.

I urge you and our colleagues, Mr. Speaker, to join me in supporting this needed bill. The text of the legislation follows.

H.R. 3379

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PRESIDENT'S BUDGET.

Section 1105(a) of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(32) A detailed plan to achieve a balanced Federal budget by the close of the sixth fiscal year beginning after the current fiscal year."

SEC. 2. CONGRESSIONAL TREATMENT OF BUDGET SUBMISSIONS.

Upon the submission by the President of a budget for the United States Government to the Congress pursuant to section 1105(a) of title 31, United States Code, the Director of the Congressional Budget Office shall determine and certify whether the balanced budget plan submitted pursuant to section 1105(a)(32) of that title does achieve a balanced budget. The Director shall inform the Clerk of the House of Representatives and the Secretary of the Senate of the results of the certification. If the budget is certified as not being in balance pursuant to such plan, the Clerk and the Secretary shall return the budget submission to the President.

SEC. 3. POINT OF ORDER.

(a) The Rules of the House of Representatives are amended by adding at the end the following new rule.

"RULE LIII

"BALANCED BUDGET ENFORCEMENT

"1. It shall not be in order in the House to consider any concurrent resolution on the budget unless it provides for a balanced budget for the United States Government."

"2. The House may waive the provisions of clause 1 if a declaration of war is in effect or if the United States faces an imminent and serious military threat to national security and is so declared by a joint resolution (adopted by a majority of the whole number of each House) which becomes law."

(b) The second sentence of clause 4(b) of rule XI of the Rules of the House of Representatives is amended by inserting before the period at the end the following: "; nor shall it report any rule of order waiving clause 1 of rule LIII".

NEW JERSEY RECOGNIZES LOYAL HEART AWARD DAY

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1996

Mr. PALLONE. Mr. Speaker, today I have the distinct honor of recognizing the activities of caregivers throughout the State of New Jersey. Sunday, May 5 marks the third annual "Loyal Heart Award Celebration." In my home State of New Jersey, Governor Whitman has designated May 5 as "Loyal Heart Award Day."

The Loyal Heart Award is sponsored by the Middlesex County Chapter of the New Jersey Coalition on Women and Disabilities. The award was initiated in 1994 by Elaine Hyman Risley to recognize the contributions made by individuals who provide care for persons with disabilities.

Those recognized on Loyal Heart Award Day represent the wide range of caregivers; they are friends, relatives, nurses or assistants to a person with a disability. Those we honor today embody the qualities of faithfulness, dedication, and commitment. Their efforts are tireless and dependable. Ms. Risley, inspired by the quality of care she had received from her daughter Robyn, son Ryan and her assistant, Nancy Namowicz, became determined to establish a formal day of tribute to caregivers. This is truly a grassroots effort; I was contacted first by New Jersey Assemblyman, John Wisniewski.

The role of caregivers is varied and significant. Caregivers may provide personal care or help around the house or furnish transportation which makes possible participation in community programs. This care may be temporary or extend over a lifetime. Whatever assistance the caregiver is providing, it is of great importance to the individual with disabilities. But to express it most succinctly, I will use the words of Ms. Risley: "Through caregivers' efforts, individuals with disabilities are able to reach their fullest potential."

Many of us have a personal connection to individuals with disabilities. Perhaps we are one of a million of people in the United States with a disability. Perhaps we are a family member, advocate or one of the very special people, a caregiver, whom we honor today. Individuals with disabilities and their caregivers deserve our acknowledgement, our support, our appreciation and our respect.

In my own district, we are trying to reach out to individuals with disabilities, their families, caregivers and advocates for the purposes of keeping them informed about issues of importance to this exceptional community. I encourage my congressional colleagues to remember that these groups of persons need information so that they can be in the best position to know about issues of significance to individual with disabilities. I also encourage other Members of Congress to join me in support and recognition of the humanitarian efforts of the loyal hearts.

In addition, I have sponsored or cosponsored legislation that I believe is of importance to individuals with disabilities and their families.

Potentially, any of us could become a person with a disability. If I were ever to face that situation, it is my hope that I would be blessed by support and care equal to that provided by one of the selfless individuals we recognize here today.

ONE STRIKE YOU'RE OUT FOR ASSISTED HOUSING

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1996

Mr. MORAN. Mr. Speaker, I am pleased to introduce legislation extending the "One Strike You're Out" provisions to screen and evict drug and alcohol abusers in public and tenant-based section 8 housing to all types of low-income, rent-subsidized housing.

For too long, drug dealers and other criminals have plagued low-income housing projects. Despite Federal policies that date back to 1988, a number of legal loopholes have enabled criminals to evade eviction. The new law closes these loopholes and grants housing authorities new powers to screen and evict problem tenants. I was pleased to see that the Housing Opportunity and Extension Act [S. 1494] included my language closing several legal loopholes that enabled drug dealers and problem tenants to evade the expedited eviction procedures in public housing.

I have a personal interest in the expedited eviction procedure dating back to my service as mayor of the city of Alexandria. Unfortunately, it took the tragic death of Alexandria police officer Charlie Hill in 1989 before HUD responded with an expedited eviction procedure for public housing residents. I tried to deal with his death in the most constructive way possible and sought a waiver from then Secretary Jack Kemp to expedite the eviction of known drug dealers from public housing.

The police and the community knew who the drug dealers were, but every time they attempted to do something, they were stymied by the legal aid advocates. Fortunately, Alexandria was successful and the city's public housing units are a far different place to live today. The expedited eviction procedure works but it needed to be strengthened further.

The work begun following officer Hill's death, however, is not yet complete. The new law fails to cover residents living in federally-assisted housing. Residents in project-based section 8 and FHA insured multifamily housing have no similar protection today when drug dealers threaten their health and safety. There are approximately 1.4 million public housing units, while there are more than 2.1 million section 8 publicly assisted housing units. Residents of these 2.1 million units deserve equal protection under the law.

With enactment of this legislation, tenants, victimized by drug dealers and others who threaten their safety and well being, will receive equal protection. With enactment of this legislation, drug dealers in project-based section 8 housing will no longer be able to ply their trade outside the project's boundary where they were erroneously exempt from the expedited eviction procedure. And, ignorance

of a fellow tenant's illegal drug activity will no longer be exclusive grounds to exempt a lease-holder from the expedited eviction procedure. Ignorance of illegal drug activity should not, by itself, be grounds for exempting a tenant from the expedited eviction procedure.

Too often the actual knowledge standard is an easy way out for the tenant. It also encourages lease holders to avoid knowing what members of their family or other persons under their roof are doing.

Mr. Speaker, this legislation is good public policy. It's good for the tenants, it's good for the neighbors and it's good for the managers and owners.

It is also important that as we shift from Government-run public housing to community-based vouchers and assistance, we need to provide communities with the tools to enforce the laws and foster good responsible neighborhoods.

This legislation helps bring us closer to this goal.

HOUSE CONCURRENT RESOLUTION 165 HONORS THE POLISH CONSTITUTION OF 1791 AND PROMOTES DEMOCRACY IN EAST-CENTRAL EUROPE

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1996

Mr. GUTIERREZ. Mr. Speaker, I rise today to honor the 205th anniversary of Poland's first Constitution on May 3. The Polish Constitution of 1791 was the first liberal Constitution in Europe, narrowly preceded by our own Constitution in 1787.

I would also like to announce my cosponsorship of the House Concurrent Resolution 165, to honor the Polish Constitution of 1791 and to promote democracy in East-Central Europe.

Throughout our Nation's history, the sons and daughters of Poland have immigrated to our shores. In fact, a native son of Poland, Thaddeus Kosciuszko, fought alongside General Washington during the Revolutionary War. Upon returning to Poland, after his heroic efforts for American liberty, Mr. Kosciuszko helped draft the Polish Constitution. The American concept of constitutional democracy was thus born in Europe in 1791.

However, just as American independence had threatened the colonial establishment and balance of power, Poland's early democratic experiment threatened the autocratic regimes of its neighbors, imperial Russia and the Hapsburg Austro-Hungarian Empire. Two years after Poland embarked on its bold path the Russian and Austrian armies conquered Poland and ended constitutional rule.

Today, 205 years after it began, the democratic experiment in Poland has been restored. A free Poland has experienced its first real open elections in several generations and the positive economic successes it has achieved are unparalleled in its history.

Poland is looking to cement its economic and political achievements by joining the North

Atlantic Treaty Organization [NATO] and the European Community. Poland's efforts to exercise civilian control over its military and its cooperation with the NATO alliance through the Partnership for Peace and in Bosnia are important steps toward greater military and economic integration with the rest of Europe and the United States.

Today, I salute and congratulate Polish people around the world, including the thousands of Polish-Americans in the Fourth Congressional District of Illinois and in the Chicago area, as we commemorate the adoption of the first Polish Constitution. I also urge my colleagues and the people of the United States to recognize Poland's rebirth as a free and independent nation in the spirit and legacy of the Polish Constitution of 1791.

SMUGGLING BANNED CHLOROFLUOROCARBONS IN THE UNITED STATES

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1996

Mr. DIAZ-BALART. Mr. Speaker, I rise today to address smuggling activities occurring in the United States by Indian chemical manufacturing companies. A report, published in the Washington Times earlier last month cites India as the source of a multimillion-dollar ring, which is smuggling banned chlorofluorocarbons, or CFC's into the United States.

According to this report, tons of banned CFC's are being smuggled into the United States by Indian manufacturers with government patronage, generating huge profits in illegal sales.

CFC importation has become a serious problem. The Customs Service says that it is now the No. 2 problem behind illegal drugs. Until it was banned under the Montreal Protocol, CFC-12, or freon gas, was widely used to run refrigerators and car air conditioners. According to the article, Customs recently broke up an operation that was smuggling \$52 million worth of CFC-12. The newspaper said that a substantial portion of CFC-12 in U.S. commerce has been smuggled. Much of it appears to have been produced by Mafatlal, an Indian chemical company. The report goes on to say that one Indian CFC smuggling operation involved 2,750 tons of gas. In this article, the newspaper reports that by labeling the CFC-12 for transshipment to a third country or identifying it as another gas, "the smugglers can avoid the ban by delivering CFC-12 to unscrupulous distributors, auto chains, and others and make a fat profit."

In this light, it becomes more important than ever for the United States to stop providing assistance to the Indian Government. I urge my colleagues to pass H.R. 1425, which will end American development aid to India until human rights are respected, and House Concurrent Resolution 32, which calls for self-determination for Khalistan, the independent Sikh country declared on October 7, 1987. Both bills should be passed as soon as possible. We must make it clear to the Indian regime that smuggling, genocide, and repression are not acceptable.

I am entering into the RECORD a press release issued by the Council of Khalistan, the government in exile of Khalistan, which deals with this scandal.

[News release from the Council of Khalistan]

INDIA SMUGGLES BANNED CFCs TO U.S.

WASHINGTON, DC, April 23.—The Associated Press reported recently that chlorofluorocarbons, or CFC gas, which is banned in the United States, is being heavily smuggled from India. CFC gas was widely used in car air conditioners, but environmentalists contend that the gas is harming Earth's ozone layer. Under terms of the 1987 Montreal Protocol, industrial nations agreed to phase out CFCs. CFCs have been banned in the United States since January 1. According to the Customs Service, CFCs are now the number two problems after illegal drugs.

According to the AP report, CFC gas from India is "routinely marked as another gas or labelled as being transhipped to a third country." CFC production remains legal in India. In one single case, AP reports, more than 2,750 tons of CFC-12 were smuggled into the United States. Authorities say that at least some of that gas came from India. Another operation in Florida was worth \$52 million. Experts estimate that one-third or more of CFC-12 in U.S. commerce, worth nearly \$3 billion, may have been smuggled. According to a U.S. prosecutor, quite a bit of the CFC-12 confiscated from smugglers "was labelled as having been produced by the Indian chemical company Mafatlal," the report said.

"This is additional evidence of India's irresponsibility. First it refused to sign the NPT and the Comprehensive Test Ban treaty, and now we find out that it is complicit in the smuggling of banned substances," said Dr. Gurmit Singh Aulakh, President of the Council of Khalistan, the government in exile of Khalistan, the independent Sikh country declared on October 7, 1987. "In 1994, according to a Heritage Foundation study, India was the third largest recipient of U.S. aid at that time. Should the U.S. be supporting such an irresponsible country?"

"India is one of the worst human rights violators in the world," said Dr. Aulakh. "It is a nuclear threat to its neighbors in South Asia and was a strong ally of the former Soviet Union," he said. "Now we find out that it is an environmental threat as well. Americans aid to this corrupt, repressive country should be cut off immediately," Dr. Aulakh said. He urged the U.S. Congress to pass two bills: HR 1425, the Human Rights in India Act, which would cut off U.S. development aid to India until human rights are respected, and House Concurrent Resolution 32, which calls for an internationally-supervised plebiscite on independence in Indian-occupied Khalistan. "Clearly, India is unwilling to allow these questions to be decided according to democratic principles," said Dr. Aulakh. "In view of India's repressive record, Congress should pass these two bills immediately to help restore freedom, peace, and democracy to the South Asian subcontinent. As Representative Gerald Solomon said, 'Isn't it time the United States stops dumping American taxpayer money into this black hole?'"

DISTRICT OF COLUMBIA PENSION LIABILITY FUNDING REFORM ACT OF 1996

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1996

Ms. NORTON. Mr. Speaker, today I have introduced the District of Columbia Pension Liability Funding Reform Act of 1996. This bill is indispensable to the District's return from insolvency. As long as 10 percent of the District's operating budget must pay for pensions, the District cannot revive.

This bill is the fraternal twin, or complement, to the D.C. Economic Recovery Act (H.R. 3244) which I introduced last month. Together, these bills provide the most pragmatic approach available at this time for obtaining revenue. Both are critically important to restoring solvency by 1999 and enabling the District to achieve a balanced budget as contemplated by the Financial Authority legislation.

The D.C. Pension Liability Funding Reform Act provides the missing congressional piece of the city's financial puzzle. The huge pension liability passed on at home rule by Congress has been a huge and definitive part of the city's financial problems for 16 years. It is time that Congress also becomes a part of the solution.

There has long been bipartisan agreement that the District's pension liability is congressional liability and that the Congress must contribute more. This bill challenges Congress to play a significant role for the first time since home rule in helping the District to eliminate the pension liability that Congress alone created. Because Congress has required the District to balance its budget in 4 years, this is the appropriate time for Congress to begin to pay its fair share of contributions to help eliminate this crushing liability.

A precedent for raising the Federal contribution was established this year in the President's fiscal year 1997 budget when the administration proposed increasing the Federal contribution to \$104 million from its current level of only \$52 million. Like the administration's recommendation, the Federal contribution in my bill recognizes that reducing the liability that Congress created is very different from providing direct revenue to the District—the action Congress has repeatedly refused to take until the District does more to downsize and reform its operations. None of the funds my bill will authorize go toward operating the District government. Rather, the bill requires the D.C. government, residents, employees and retirees alike to make significant sacrifices to reduce the pension liability that has become a stone around the city's neck.

Congress instituted pension plans for the District's police officers and firefighters in 1916, for teachers in 1920, and for judges in 1970 but never funded the plans. Instead, Congress paid the pensions of individuals as they retired. In 1979, Congress passed the District of Columbia Retirement Reform Act and transferred all the unfunded pension liability associated with these plans—all \$2 billion that had accumulated—from the Federal Government to the District of Columbia. The an-

nual pension payments required of the District by the Federal Government were to be made on the same pay-as-you-go basis as Congress employed, with payments each year covering only that year's benefit payments. Thus, the District has fully funded all the pensions under its control from the day the city was handed this liability. Stated another way, there has been no new unfunded liability of these pensions on the District's watch. Since fiscal year 1980, however, the \$2 billion unfunded liability has never been funded but instead has increased to \$5 billion. Most of the increase is interest on the original unfunded liability that accumulated under Federal management. The transfer of this liability is an amazing case study in Federal fiscal irresponsibility. It is one of those rare instances in U.S. history when the Federal Government has off-loaded its indebtedness to an American city.

The unfunded pension liability has grown from an unfair burden to a crippling threat to the economic viability of the District of Columbia. The District, struggling to survive with a sharply declining taxpayer and revenue base and the continuing responsibility for State, municipal, and county functions, cannot recover without systematic relief from the unfunded pension liability created and passed on to the city by Congress. The legislation I am introducing today will provide that relief by significantly reducing the District's annual retirement plan contribution by 43 percent. The consequence of this one change will be to reduce the District's annual pension contribution from about \$321 million today to a flat rate of \$185 million, which will remain constant for 40 years. This change is accomplished by allocating to the Federal Government 80 percent of the accrued actuarial liability as of October 1, 1979 for services rendered by employees hired prior to home rule but who continued to work for the District government. As of now, the Federal Government has assumed no responsibility whatsoever for pension rights accrued by these employees while the District was under Federal management. The contribution will prefund the cost of the benefits of active employees as they are earned, and will liquidate the District's reduced and much more equitable share of the unfunded pension liability that accrued before home rule. This change will bring critical relief to the District's deficit and allow the District desperately needed breathing room in its budget.

By no means does the bill simply require only the Federal Government to increase its share of the responsibility for the liability. Current and future retirees will receive only one cost of living adjustment per year rather than two, and the rate of contribution from employees will increase from 7 to 8 percent of their annual wages. The unions and retirees deserve credit for having negotiated these sacrifices. In return, the Federal Government will increase its annual pension contribution from a virtually token payment of \$52 million to a flat rate of \$295 million per year. This payment will also be extended over 40 years to liquidate the recalculated amount of the Federal Government's share of the unfunded pension liability. These are painful prescriptions, especially for the employees and retirees, but as they have already recognized, these sacrifices are absolutely necessary. If the District is to

reach the goal of a balanced budget by the end of fiscal year 1999, and sustain that performance, it is necessary that the burden be shared.

These reforms will implement a plan that is the result of years of intensive work from the time I came to Congress in 1991 by Members of Congress and their staffs in bipartisanship, representatives from the affected employee groups, retirees, the Council, the Mayor's office, the District of Columbia Retirement Board, the Congressional Research Service, and the General Accounting Office. I deeply appreciate all of the cooperation and support they have given to this endeavor. The evaluation of this bill reflects their thoughtful contributions. This plan is the most practical from

among numerous alternatives we have developed and discarded.

It is impossible to overemphasize the importance of this legislation to the fiscal health and stability of the District. Under the current District of Columbia Retirement Act, upon reaching the year 2004, the Federal Government's annual payments cease, and the 1979 law requires the amount the District contributes to nearly double in order to cover both accruing pension obligations and interest payments on unfunded obligations. The unfunded pension liability will have reached \$7.7 billion with the District solely responsible for this debt. This result would be catastrophic, crushing the District financially and wiping out its capacity to ensure future pension benefits for covered beneficiaries.

To complement my bill, the Mayor and the city council are developing local legislation that will create a third tier within the retirement system to cover new hires who will be provided with an adequate but modified and less costly benefit plan. Experts here in Congress are now assisting the city by reviewing and advising on two bills now pending before the city council.

I feel fully justified in asking my colleagues to support this legislation now because it is designed to help the District with a problem which is not of its making, but a financial burden created solely by Congress. Corrective action is not only fair. It is quite simply indispensable.